Uttar Pradesh, Uttaranchal, Andhra Pradesh (all districts except Chittoor and Nellore), Tamil Nadu (only districts Coimbatore, Dindigul, Erode, Kanyakumari, Nilgiri, Ramanathpuram, Tirunelveli, Tuticorin, and Virudhunagar), and the Union Territories of Chandigarh, Dadra & Nagar Haveli and Daman & Diu.

(c) Manufacture of any commodity including ethanol is based on commercial decisions of the entrepreneur concerned. The Ministry of Food and Public distribution has stated that the Sugar development fund act, 1982, further amended in 2002, *inter alia,* provides for making loans to any sugar factory or any unit thereof for the production of anhydrous alcohol or ethanol from alcohol or from molasses with a view to improving their viability.

**Refining Cost of Crude**

1997. SHRI CHITTABRATA MAJUMDAR:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the average refining cost of crude in IOC, HPCL, BPCL refineries as well as private refineries during the last three years;

(b) the average refining margin of the above refineries during the last three years;

(c) the average global price of crude oil, diesel, petrol and LPG in the years 2002-2003, 2003-2004 and during the current year; and

(d) the tax and duty component in the subsidy amount computed by the oil companies/Government as unrecovered expenses or losses?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) The cost of refining crude oil depends upon a number of factors which include *inter alia* the type of crude oil, the size of the refinery, refinery configuration, age of equipment, technology used etc.

The average refining cost of public sector under-taking during 2001-02,

2002-03 and 2003-04 was Rs. 515 per Metric Tonne (MT), Rs. 525 per MT and Rs. 511 per MT respectively. The average Gross Refining Margin of PSU refineries during 2001-02, 2002-03 and 2003-04 was 698 per MT, Rs. 1405 per MT and Rs. 1592 per MT respectively.

(c) The average global price of crude oil, diesel, petrol and LPG in 2002-03, 2003-04 and during the current year (April-November' 04) is given in the Statement. (*See* below)

(d) The refineries are at present paying 10% customs duty on crude. To compensate them the applicable customs duty on products is included in Refinery Transfer Price. The customs duty element currently included in refinery transfer price is 15% on petrol and diesel and 5% on kerosene and LPG.

Owing to non-revision in domestic consumer prices in line with international prices of PDS Kerosene, domestic LPG, diesel and petrol during the first half of the current fixed year, April-September 2004, Oil Marketing Companies estimate their under-recoveries at around Rs. 9800 crore.

***Statement***

*International Prices of Petrol, Diesel LPG and Crude Oil*

| | Diesel (0.5%s) | Petrol | Indian Basket | LPG |
|---|---|---|---|---|
| | $/Bbl | $/Bbl | $/Bbl | $/MT |
| 2002-03 | 28.93 | 30.15 | 26.67 | 280.40 |
| 2003-04 | 30.48 | 35.03 | 27.96 | 278.45 |
| April-Nov'04 | 45.28 | 48.08 | 37.61 | 360.10 |

Notes:

Diesel prices are based on FOB quotes (0.5% Sulphur) Arab Gulf Market

Petrol prices are based on FOB quotes of Singapore Market

The LPG prices are based on FOB quotes prevailing on Saudi Aramco Market for Butane and Propane in the ratio of 60:40.

Indian Basket crude represents 43% Brent (dated) and 57% Oman/Dubai average.